

## Message Text

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ACTION EUR-25

INFO OCT-01 NEA-10 ISO-00 PM-07 L-03 NSC-07 CIAE-00

DODE-00 INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01

SPC-03 EURE-00 EB-11 COME-00 SS-20 FEA-02 TRSE-00

CIEP-02 OMB-01 DRC-01 /124 W  
----- 109744

P R 041715Z MAR 74

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC PRIORITY 8577

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

C O N F I D E N T I A L COPENHAGEN 0596

E.O. 11652: GDS

TAGS: PFOR, ENRG, DA

SUBJ: DANISH FOREIGN MINISTER'S VISIT TO SAUDI

ARABIA

REF: COPENHAGEN 474

BEGIN SUMMARY. ON FIRST OPPORTUNITY AFTER RETURN-  
ING FROM SAUDI ARABIAN VISIT OVER WEEKEND, FONOFF  
UNDER SECRETARY CALLED IN DCM FOR DEBRIEFING.  
HE POINTEDLY EMPHASIZED THAT PURPOSE OF VISIT  
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WAS TO OPEN COMMERICAL EXHIBITION AND GENERAL

GOOD WILL BUT NOT RPT NOT TO MAKE BILATERAL OIL DEAL. HE SAID DENMARK REMAINS COMPLETELY LOYAL TO PRINCIPLES AGREED UPON AT WASHINGTON ENERGY CONFERENCE AND HAS NO INTENTION OF PURCHASING OIL ON STATE ACCOUNT EXCEPT IN EMERGENCIES. HE ADDED THAT THE ONLY DISCUSSION ON OIL CONCERNED FAILURE OF DENMARK TO RECEIVE FULL 90 PERCENT ALLOTMENT OF SAUDI CRUDE SINCE SEPTEMBER. SAUDIS NOW INVESTIGATING THIS. UNDER SECRETARY SAID PRESS REPORTS OF FONMIN GULBERG SAYING INTERNATIONAL MAJORS AND BRITISH GOVERNMENT WERE RESPONSIBLE FOR SHORT SHIPMENTS WERE MISQUOTES AND THAT NO CONCLUSIONS WILL BE DRAWN UNTIL INVESTIGATION COMPLETED. SAUDIS MADE CLEAR THEY DESIRE LOWER OIL PRICES BUT MUST PROCEED CAUTIOUSLY. SAUDIS SAID THEY WERE INTERESTED IN DIALOGUE WITH EUROPE OVER LONGER TERM BUT IMMEDIATE INTEREST WAS IN US ROLE, SINCE THEY BELIEVE SECRETARY KISSINGER TO BE ONLY PERSON WHO CAN OBTAIN REASONABLE CONCESSIONS FROM ISRAELIS. END SUMMARY.

1. IN ABSENCE OF AMBASSADOR (WHO IS IN BORNHOLM) AND FONMIN GULDBERG (IN BRUSSELS), FONOFF UNDER SECRETARY EIGIL JORGENSEN CALLED IN DCM AND ECONOFF MONDAY, FIRST OCCASION AFTER HIS RETURN WITH FONMIN FROM VISIT TO SAUDI ARABIA (REFTEL). HE SAID DENMARK REGARDED IT VERY IMPORTANT FOR US TO UNDERSTAND THAT TRIP HAD BEEN PRIMARILY GOOD WILL VISIT, TIMED TO OPENING OF COMMERCIAL EXHIBITION WHICH HAD BEEN UNDER PREPARATION FOR TWO YEARS, AND NOT TO NEGOTIATE A BILATERAL OIL DEAL. HE SAID THAT PRESIDENT OF STATE-OWNED DANISH OIL AND NATURAL GAS COMPANY (DANOIL), GERHARD JENSEN, CAME ALONG ON TRIP ONLY TO GET BETTER ACQUAINTED WITH SAUDI OIL OFFICIALS.

2. JORGENSEN EMPHASIZED THAT DENMARK SUPPORTED PRINCIPLES AGREED UPON AT WASHINGTON ENERGY CONFERENCE AND APPRECIATED US INITIATIVE IN CALLING IT. HE SAID DENMARK'S MAJOR INTEREST

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IS IN OBTAINING REDUCTION OF OIL PRICES AND FELT THAT STATE DEALS COULD ONLY RESULT IN PRICE INCREASES; THEREFORE, DENMARK WILL CONTINUE TO RELY ON SUPPLIES FROM INTERNATIONAL MAJORS. HE ADDED THAT STATE OIL PURCHASES WOULD BE MADE ONLY IN EMERGENCY SITUATIONS WHICH IS NOT THE CASE AT PRESENT.

3. THE ONLY DISCUSSION OF OIL, ACCORDING TO JORGENSEN, WAS ON DENMARK'S FAILURE TO RECEIVE SUFFICIENT SAUDI CRUDE DURING PAST EMERGENCY. HE SAID SAUDIS CLAIMED DENMARK SHOULD HAVE BEEN RECEIVING 90 PERCENT OF ITS JANUARY-SEPTEMBER 1973 SHIPMENTS, BUT STATISTICS SHOWED IT RECEIVED MUCH LESS. SAUDIS AGREED TO INVESTIGATE TO DETERMINE CAUSE OF DIVERSIONS. WE COMMENTED THAT MEDIA HAD REPORTED FONMIN GULBERG AS SAYING INTERNATIONAL MAJORS AND BRITISH GOVERNMENT MAY BE RESPONSIBLE. JORGENSEN SAID THIS WAS MISQUOTE AND THAT NO CONCLUSIONS WILL BE DRAWN BY DANISH GOVERNMENT UNTIL INVESTIGATION IS COMPLETED. HE NOTED THAT PROBLEM STEMS PRIMARILY FROM FACT THAT MOST CRUDE DESTINED FOR DENMARK MUST BE TRANSSHIPPED VIA ROTTERDAM OR UK PORTS.

4. JORGENSEN SAID THAT OFFICIAL DISCUSSIONS GULDBERG HAD WITH KING FAISAL AND SAUDI FONMIN WERE PRINCIPALLY RESTATEMENTS OF WELL-KNOWN POSITIONS. HE NOTED, HOWEVER, THAT GULBERG EMPHASIZED THAT WASHINGTON ENERGY CONFERENCE AND SUBSEQUENT ACTIVITIES ARE INTENDED SOLELY AS PREPARATION FOR EVENTUAL MEETING WITH PRODUCING COUNTRIES. AUDIS DID NOT MAKE AN ISSUE OF THIS. OIL PRICES WERE ALSO DISCUSSED, WITH SAUDIS INDICATING THEY FELT THEY SHOULD BE LOWERED BUT ADDING THAT THEY ARE HESITANT TO TAKE INITIATIVE, OUT OF CONSIDERATION FOR OTHER OIL PRODUCERS.

5. ON THE MIDDLE EAST SITUATION, JORGENSEN SAID KING FAISAL DID NOT HESITATE TO GIVE HIS STRONG CONFIDENTIAL

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VIEWS ON ISRAEL BUT APPEARED OPTIMISTIC ABOUT CURRENT EFFORTS OF SECRETARY KISSINGER. JORGENSEN FOUND SAUDI FONMIN EXPANSIVE ON THIS POINT IN A PRIVATE CONVERSATION THE TWO HAD TOGETHER. FONMIN SAID SAUDIS VERY MUCH APPRECIATE SECRETARY'S EFFORTS SINCE THEY CONSIDER HIM THE ONLY PERSON WITH SUFFICIENT INFLUENCE ON ISRAEL TO PROVIDE HOPE FOR A MODERATION IN THEIR POSITION. WHILE THE OIL EMBARGO WAS NOT DIRECTLY DISCUSSED, JORGENSEN GOT THE IMPRESSION THAT, ONCE DISENGAGEMENT ON SYRIAN FRONT OBTAINED, SAUDIS, AT LEAST, WOULD BE WILLING TO RELAX OR ABOLISH EMBARGO.

6. JORGENSEN SAID THAT SAUDIS EXPRESSED A "CER-

TAIN" INTEREST IN DIALOGUE WITH EUROPEANS  
BUT MADE CLEAR THAT THIS WAS NOT A PRIORITY  
CONSIDERATION SINCE ONLY POWER WITH IMMEDIATE  
INFLUENCE ON MIDDLE EAST IS US.

7. COMMENT. CONTRARY TO JORGENSEN'S STATEMENTS,  
DANISH MEDIA REPORTED THAT THERE HAD BEEN OIL  
NEGOTIATIONS BUT SAUDIS ASKED TOO HIGH A PRICE.  
WHICHEVER THE CASE, JORGENSEN WAS VERY EMPHA-  
TIC IN STATING THAT DENMARK HAS NOT MADE A BI-  
LATERAL OIL DEAL AND HAS NO INTENTION OF MAKING  
ONE. HE WANTED US TO UNDERSTAND THIS AS THE OF-  
FICIAL DANISH GOVERNMENT POSITION. THE IMPLICA-  
TION WAS THAT THERE MAY HAVE BEEN OTHER MINORITY  
VIEWS WITHIN THE GOVERNMENT BUT THERE ARE NOT  
NOW.  
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## Message Attributes

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